

Aviation Consultants

MANHASSET, NEW YORK 11030 - 516 627-7460

CABLE-SPEASAV MANHASSET NY

October 21, 1975

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[Redacted]
Managing Director and
Chief Executive Officer
Air America, Inc.
1725 K Street, N. W.
Washington, D. C. 20006

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[Redacted]
At your request we have reviewed the aircraft and spare parts which you have for sale and have estimated fair market values for the aircraft and spare engines under two different assumptions - the first assumption is that the lot must be disposed of prior to the end of this calendar year, and the second is that a more orderly liquidation program is accomplished over a period of 18 months. With respect to the spares other than engines, we reviewed the categories of materials on hand and determined their storage condition. The inventory was not complete during our review and so we have indicated probable realizations as a percent of original acquisition cost.

As summarized on the attached tabulation, it is Speas Associates judgment that the current fair market value of the aircraft and spare engines under distress liquidation circumstances approximates \$3.6 million, and that ten percent of acquisition cost could be realized for the spares other than engines.

Under the assumption of liquidation over a period of 18 months, we consider the fair market value of the aircraft and spare engines to be approximately \$5.7 million. The spares, other than engines, should bring approximately 25 percent of acquisition cost.

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[Redacted]
We are formalizing these findings in a report which we will forward to you in approximately two weeks. We appreciate this opportunity of again being of service to Air America.

Sincerely yours,

for *Robert C. Knowles*
Robert C. Knowles
Vice President

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